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DEPARTMENT OF STATE

THE DIRECTOR OF INTELLIGENCE AND RESEARCH

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To : The Secretary
Through: S/S
From : INR - George C. Denney, Jr. h.c.d.

5034

Subject: Republic of China Troop Movements to the Offshore Islands do not portend offensive attack on mainland

The GRC Ministry of National Defense has informed US officials in Taiwan of impending troop movements which are of more than routine interest in view of the current turmoil in mainland China. The GRC's plans call for: (1) replacing an army division in the Penghus Islands 25 miles west of Taiwan with the larger First Marine Division, and (2) sending the 10th Infantry Division to the offshore island of Matsu. Until now, approximately 75% of the GRC ground force strength of 470,000 troops has been based on Taiwan, about 15% on the offshore island of Kinmen, and about 4% each on Matsu and the Penghus.

First Marine Division to the Penghus. The replacement of the 27th Infantry Division in the Penghus with the First Marine Division will add 7,000 troops to the Penghus' current strength of 20,625 men. The First Marine Division is considered by MAAG to be the GRC's only combat-effective amphibious division. The GRC justifies this move as part of President Chiang Kai-shek's recently-adopted program of dispersing GRC troops to make them less vulnerable to Chinese Communist nuclear attack; as an improvement in the division's ability to carry out counter-landings against Taiwan or the offshore islands; as a lightening of the Chinese Army's burden of garrison duty in the Penghus; and as a means of relieving the demands on inadequate logistic and training facilities on Taiwan. MAAG has also heard that the GRC is concerned that the First Marine Division has become too comfortably established at its barracks in Tsoying. In the future, the GRC plans to rotate the First and Second Marine Divisions between Tsoying and the Penghus.

MAAG has advised strongly against the proposed redeployment, but the GRC is determined to proceed with its plans. MAAG believes that the move will weaken rather than improve the GRC's armed strength, and has pointed to the following disadvantages: the Penghus have poor terrain and weather conditions for training; there is an insufficient supply of fresh water; and facilities for staging and embarking troops are inadequate and their construction will be very costly. (Also stationed on the Penghus are an Army division and an Army armored battalion.) The move also runs the risk of separating a combat unit from its sea lift, since the GRC's limited number of LCM's will have to divide their time between the First Marine Division in the Penghus and the Second Division in Taiwan. The Chinese Communists might also be provoked by this addition to the Penghus troop strength.

10th Infantry Division to Matsu. One of this division's regiments has already been on Matsu for some time; the GRC plans to move the rest of

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the Division by the end of March. The move, described by the GRC as part of its troop-dispersal program, will increase the island's present strength of about 12,000 troops by about 3,000 men. The actual increase may be even greater if the 10th Division, which is a "cadre" division, is brought up to its full combat strength. MAAG believes that this move is probably intended only to strengthen Matsu's defenses, and rates the division's combat effectiveness as marginal. Its 75 mm. artillery, while well adapted to defending the island, lacks sufficient range for use against the mainland.

GRC Counterattack Unlikely at Present. The Embassy in Taipei is concerned that the troop increase on Matsu runs counter to US efforts to persuade the GRC to reduce its forces on the offshore islands, but it continues to rate the possibility of a GRC attempt at this juncture to provoke the Communists or to mount a major unilateral action against the mainland as very low. The proposed troop dispersals may be planned to meet the contingency of a Chinese Communist nuclear attack on Taiwan, about which President Chiang is much concerned.

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